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SUBJECT: NAJAF OFFICIALS PLAN INTERNATIONAL INVESTMENT CONFERENCE,
SEEK U.S. SUPPORT FOR CONFERENCE, ECONOMY

CLASSIFIED BY: ALFRED FONTENEAU, REGIONAL COORDINATOR, REO,
AL-HILLAH, STATE.

REASON: 1.4 (b), (d)

11. (SBU) Summary: The Najaf Deputy Governor told REO Al-Hillah staff of his intention to hold an international investment and economic development conference in Najaf in February. In a January 4 meeting, the Deputy Governor asked for U.S. support in publicizing the conference to American officials and companies. Describing provincial economic policies as those of "a small country," the Deputy Governor discussed efforts by himself, the Governor, and other Najaf officials to attract foreign investment in Najaf. He also praised Najaf's post-liberation economic progress, in particular in the agricultural sector, in which the Deputy Governor said that Najaf is enjoying bumper crops of rice and potatoes. End summary.

12. (SBU) In a meeting January 4 between REO staff and Abdul Hussein Abtan, Deputy Governor of Najaf, and Dr. Munther Al-Ajinah, the Governor's Iraqi-born American citizen investment counselor, Abtan told REO staff of his plans to host an international investment and economic development conference in Najaf on February 10. Abtan said that economic development, and specifically encouraging foreign investment in Najaf, was the province's most important goal for 2006. He said that he and the Governor sought to make Najaf the "investment capital of Iraq." The conference, he said, would be a crucial step in this process.

13. (C) Abtan reported that Najaf officials were contacting businessmen, investors, and government officials across the region and beyond. (Note: Najaf Governor Assad Al-Taee has traveled to Kuwait and South Korea on trade missions during his tenure, and is currently in India on another trade mission. Abtan mentioned plans for similar official visits to Great Britain, Lebanon and Saudi Arabia in the near future. End note.) Abtan asked for U.S. government support for logistics for the conference and for arranging media coverage of the event. He expressed a desire to meet with economic and commercial officers from the U.S. Embassy. "We hope that this conference could have the support of the U.S.," Abtan related. Asked if Baghdad had signed off on the conference, Abtan answered that Najaf officials had informed officials from the Ministries of Foreign Affairs, Planning and Finance, and hoped for their cooperation. He took pains to point out that Najaf was not seeking approval or permission from Baghdad to hold the conference, and that Najaf would go forward with its plans regardless of Baghdad's position.

14. (C) The Deputy Governor explained the position of his province and their broad plans for development. Religious tourism is at the heart of the nascent Najaf economy, the officials explained. (Note: As the home of the Imam Ali Shrine, one of the holiest sites in Shi'a Islam, Najaf hosts thousands of religious pilgrims annually. End note.) The routes pilgrims take into and out of Najaf, from Kuwait, Saudi Arabia, and elsewhere, Abtan maintained, should also enable Najaf to become a trade hub. The officials said that they planned to offer tax breaks and other incentives to investors with the goal of making Najaf not just a religious tourism center but a free trade zone along the lines of Dubai. "We're acting as a small country," Abtan explained.

15. (SBU) Crucial to Najaf's plans, Abtan avowed, is the development of the Najaf International Airport, a project that Najaf officials frequently refer to. Abtan asked for U.S. support for the development and construction of the airport, even suggesting that the economic development that would spring from this project would deal a decisive blow to the insurgency by creating jobs and prosperity and revealing to Shi'a worldwide that the U.S. supported their holy sites. Abtan waxed eloquent about his dream of hosting a visit by President George Bush to Najaf in which Air Force One would land in Najaf. "Imagine the echoes of this news. The story of the good coordination," Abtan extolled. "Imagine the significant results."

16. (SBU) Asked about other economic plans and progress, Abtan said that the liberation of Iraq from the Saddam Hussein regime had already spurred significant growth and investment in infrastructure and agriculture. Roads were being paved, Abtan reported, and six new bridges had been built in Najaf, the first since the days of the Iraqi monarchy in the 1950s, he said.

Abtan was most effusive about the agricultural progress Najaf had made since liberation. He offered that provincial rice output had tripled since the days of Saddam, and that for the first time in recent memory, Najaf was producing a potato crop.

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